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SUBJECT: SOCAR HOSTS CONFERENCE ON ENVIRONMENTAL  
REHABILITATION

11. (SBU) SUMMARY: The State Oil Company of Azerbaijan (SOCAR) hosted a conference entitled "Rehabilitation of Contaminated Soils-Suggested Methods" in Baku on November 3-4. SOCAR's Vice President of Ecological Affairs, Mukhtar Babayev, moderated the event and acknowledged the many challenges facing the Ecological Department. He repeatedly sought the support and cooperation of a host of domestic and international experts to develop holistic solutions to these problems. Many attendees noted that the conference was the first of its kind in Azerbaijan, as it brought a range of relevant domestic and international experts to glean input for SOCAR's nascent ecological program and set the tone for future conferences. Presentations on monitoring, filtration, rehabilitation and prevention of contamination were given throughout the event, with an open forum at the end of each day for the audience to offer new ideas, ask questions and challenge their colleagues' proposals. At the conclusion of the conference, a final eight-point resolution was drafted to encompass the key findings of the conference. End Summary.

Background

12. (U) The State Oil Company of Azerbaijan (SOCAR) hosted a conference entitled "Rehabilitation of Contaminated Soils-Suggested Methods" in Baku on November 3-4. Over 100 guests and presenters from the public and private sectors, NGOs, international organizations and academia were in attendance.

13. (U) The Ecological Department of SOCAR was created in 2007 by a presidential decree which mandated that SOCAR address previous environmental damage caused by the oil industry and update its equipment and practices to prevent future ecological damage. Azerbaijan's 160 year history of oil development has left the country with vast quantities of hazardous materials related to the industry, and over 30,000 hectares of contaminated soil. Its current environmental policy was developed in coordination with the World Bank and approved in May 2008. The Department's 184 million USD soil monitoring and rehabilitation program was supported with technical expertise and 64 million USD in grants from the World Bank. These initiatives are ongoing and subject to the availability of funding.

Opening Address

14. (U) Mukhtar Babayev, Vice President and Head of the Ecological Department at SOCAR, delivered the opening

address. Babayev said that 160 years of oil development in Azerbaijan coincided with a complete lack of environmental awareness or regulation, resulting in the country's vast ecological problems. While acknowledging SOCAR's key role in remedying this situation, he called upon other business leaders, government ministers, and Azerbaijani citizens to contribute their expertise and resources to alleviating these problems. He identified environmental remediation as a "shared mission and moral imperative" for all Azerbaijanis, as opposed to a mere legal obligation for the energy sector. Babayev explained that given the nascent state of SOCAR's ecological initiatives and the unceasing importance of this mission, future conferences would be necessary so that dialogue amongst experts could continue and the lessons learned from current endeavors could be shared with interested parties. While expressing pride in SOCAR's accomplishments and optimism for its plans for future endeavors, Babayev cautioned that the steep drop in oil prices could have a negative impact on future actions.

#### Ecological Department Initiatives and Input from Other Experts

15. (U) Azer Aliyev, Chief of the Ecological Department, provided an overview of the unit's key initiatives, which were expanded on during subsequent presentations. Over the past year, Ecological Department staff were trained on environmental remediation techniques in the United States and UK. During this period, they implemented a large-scale monitoring and analysis program to gather data and produce a map of the contamination in the Absheron Peninsula, which

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encompasses 30,000 hectares and the bulk of on-shore oil contamination in Azerbaijan. The map is constantly being updated with new information and is the basis for targeting rehabilitation efforts. Aliyev stated that residential areas are given the highest priority when evaluating sites for remediation. Once an area is selected, various cleaning methods are applied to filter out contaminants and restore the landscape to a state that is sufficient for its intended use. SOCAR has developed a time table that sets yearly rehabilitation targets through 2010. It's Ecological Department is also doing "eco enlightenment" projects, which teach children about the dangers of contamination and the importance of environmental stewardship.

16. (U) Mammad Nasibov, head of the monitoring section of the Ecological Department, explained that monitoring is conducted before, during, and after rehabilitation. The results are used to make informed decisions on the cleaning methods to be used and to gauge the effectiveness of the project. Monitoring results are provided in reports that are available to the public. Nasibov stressed that SOCAR's intent is to be completely transparent so that everyone is aware of the potential dangers in contaminated zones. He also noted that this information can be used by other organizations that wish to assist with rehabilitation efforts, underscoring Mukhtar Babayev's theme of collaborating to address contamination issues. Shirvan Yusifov, head of the soil and landscape rehabilitation section of the Ecological Department, described a four-step process for cleaning contaminated soil once an area has been selected. First, all discarded and broken oil equipment is removed from the site. Contaminated soil is then excavated (if necessary), cleaned and returned to its original location. Finally, trees are planted to filter residual pollutants and the area is again monitored to check contamination levels.

17. (U) Subsequent speakers identified SOCAR's options for cleaning the soil, environmentally responsible techniques of oil extraction, and the mistakes that the company has made during its initial remediation efforts. SOCAR is currently evaluating five bids by international companies to provide equipment that mechanically cleans the soil; one of which will be chosen within the next year. Other options include

biological cleaning methods, which use plants to absorb and filter contaminants. Representatives from BP, BT TexnoServis and the Azerbaijan National Academy of Sciences suggested new drilling methods and opportunities for further collaboration.

Several Azerbaijani scientists highlighted the need for further study before progressing with biological remediation techniques, as one third of the 30,000 trees SOCAR had planted in rehabilitated sites have already died. Babayev admitted that his department has much to learn from international companies and needs to invest in state-of-the-art equipment, but that the 90 other organizations that SOCAR invited to the event also need to increase their involvement in these environmental endeavors.

18. (U) Wolfhart Pohl, Senior Environment and Geosciences Specialist at the World Bank, expanded the discussion to include the economic benefits of ecological rehabilitation, as well as the compounding effects of non-oil generated contamination, such as sewage, vehicle emissions and municipal waste. Pohl called for a comprehensive approach to address these issues, as non-oil contaminants are not SOCAR's responsibility but are of critical importance to rehabilitating Azerbaijan's contaminated soil. His calls for definitive standards and normative regulations were echoed during a number of other presentations. Fegan Aliyev, President of the International Ecoenergy Academy, an Azerbaijan-based NGO, highlighted his organization's assistance with the contamination mapping project, its Caspian Sea rehabilitation projects, and suggested that this conference be held on a yearly basis. Aliyev emphasized the need for greater collaboration with international partners and the use of international standards, which are already well established and can bring a wealth of experience to Azerbaijan.

Open Forum Commentary

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19. (SBU) Many participants used the open forum to offer their support for the various proposals offered, while several questioned the cleaning techniques that were recommended by SOCAR and the Nopal Group, a U.S.-based bio-remediation company. Todd Sutherland, Manager of the Baku branch of Nopal, clarified the costs and potential of the company's product, and SOCAR Vice-President Mukhtar Babayev called for patience as this and other proposals still needed to be evaluated under local conditions. Babayev attempted to assuage concerns that foreign companies were offering solutions without clear estimates of the costs and effectiveness of the respective cleaning technologies.

Conference Resolutions

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10. (U) The following eight points were adopted as final resolutions of the Conference:

-- Appropriate government agencies should be consulted on the future use of oil contaminated lands so that the appropriate rehabilitation strategy could be decided upon.

-- Scientific research and practical work should assess alternative technologies for rehabilitating oil contaminated soils.

-- Research on multi-stage restorations and economically efficient methods of soil rehabilitation needs to be accomplished. These efforts should take into account local environmental and labor considerations.

-- All areas contaminated with radioactive material from hydrocarbon extraction and production should be determined, and a surveillance system should be created for the management of radioactive zones.

-- Local and foreign companies that have experience with biological and mechanical decontamination should be consulted to determine which methods and state-of-the-art technologies are most appropriate for Azerbaijan's rehabilitation efforts.

-- Additional efforts to attract funding from international organizations need to be made to assuage the costs of environmental preservation and rehabilitation projects.

-- Domestic criteria for evaluating soil contamination need to be established in accordance with international standards.

-- All conference presentations are to be printed and distributed to the participants.

Comment

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11. (SBU) Babayev expressed his personal desire to work with U.S. Embassy Baku on ecological remediation efforts. He believes that Ambassador Derse, specifically, and USG in general, share in his desire to make Azerbaijan's ecological initiatives a success. The often passionate exchanges amongst participants and the repeated calls for future engagement and collaboration are indicative of the strong interest in this conference and genuine desire to alleviate the country's contamination problems.

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